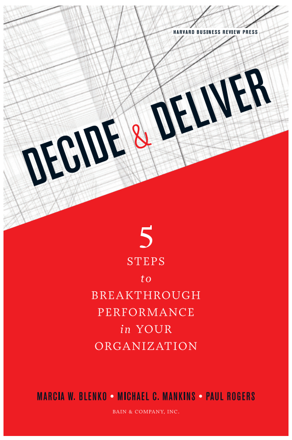
Decision Insights

Managing initiative overload

By Jenny Davis-Peccoud, Michael Mankins and Jeff Denneen



BAIN & COMPANY

Jenny Davis-Peccoud, a senior director based in London, leads Bain's Organization practice in Europe, the Middle East and Africa and also the firm's Global Social Impact practice. Michael Mankins leads Bain's Organization practice in the Americas and is a partner in San Francisco. He is co-author of *Decide & Deliver: 5 Steps to Breakthrough Performance in Your Organization* (Harvard Business Review Press, 2010). Jeff Denneen is a partner in Bain's Atlanta office and leads the firm's Higher Education practice.

What makes for good, fast decision making? In *Decision Insights*, we often focus on organizational factors, such as clear decision roles. But another set of variables can be equally important: whether the individuals in an organization can contribute effectively to decisions. If people can't fulfill their role or don't know how to do so, then decisions naturally bog down.

So in this article we'll take a different tack. We'll look directly at one of the biggest obstacles to effective individual participation: initiative overload.

Initiative overload is an ailment that permeates nearly every large company. Your first day on the job, you probably discovered that several initiatives affecting your unit were already under way. Over time, your colleagues and superiors likely launched still more, and you might have sponsored a few yourself. In this situation, people are like swimmers buffeted by cross currents coming from every direction (see Figure 1). The result is a kind of fragmentation, meaning that you don't have enough time to do anything well or enough bandwidth to absorb what you need to absorb.

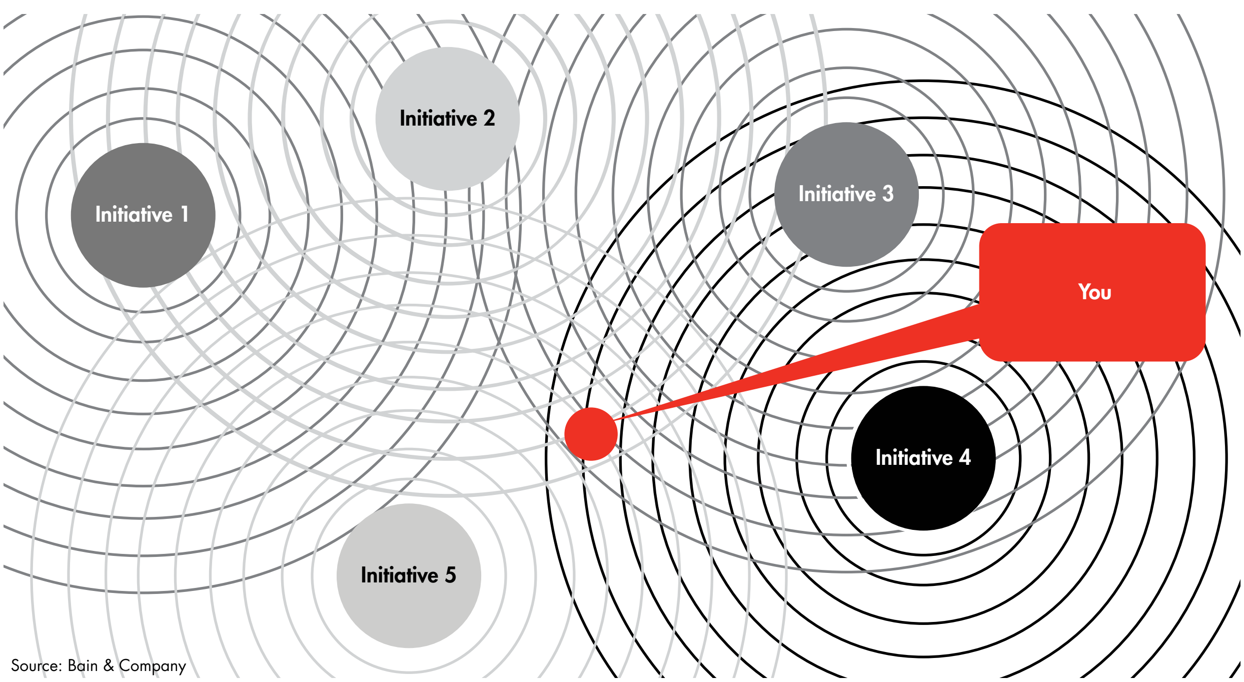
Fortunately, initiative overload isn't fatal. You may not escape it, but you can learn to manage it, and in the process make yourself a better contributor to good decisions. Here's a practical set of guidelines to prevent it when possible and mitigate its effects when not.

Managing your time

Guideline No. 1 is simple: **Create a personal-time feedback loop.** Review where you spend your time, determine the fit between time spent and your strategic priorities, and then adjust your time allocation if necessary. This may sound daunting, but many executives follow such a procedure rigorously. "I've got a spreadsheet, it's got a budget—my time for the year," Steve Ballmer, then-CEO of Microsoft, told the *Wall Street Journal*. "I give the budget allocation to my administrative assistants, they lay it all out and then anybody who asks for time, they say, ''Steve, this is in budget, it's not in budget, how do you want us to handle it?'"

Lack of a personal-time feedback loop leads to a predictable result: People stay busy, but don't necessarily spend their

Figure 1: The effect of initiative overload



Source: Bain & Company

time in the right way or on the right initiatives. Figure 2 shows the situation at one company we studied. About 80% of the leadership team's time went to issues that accounted for less than 20% of the company's value.

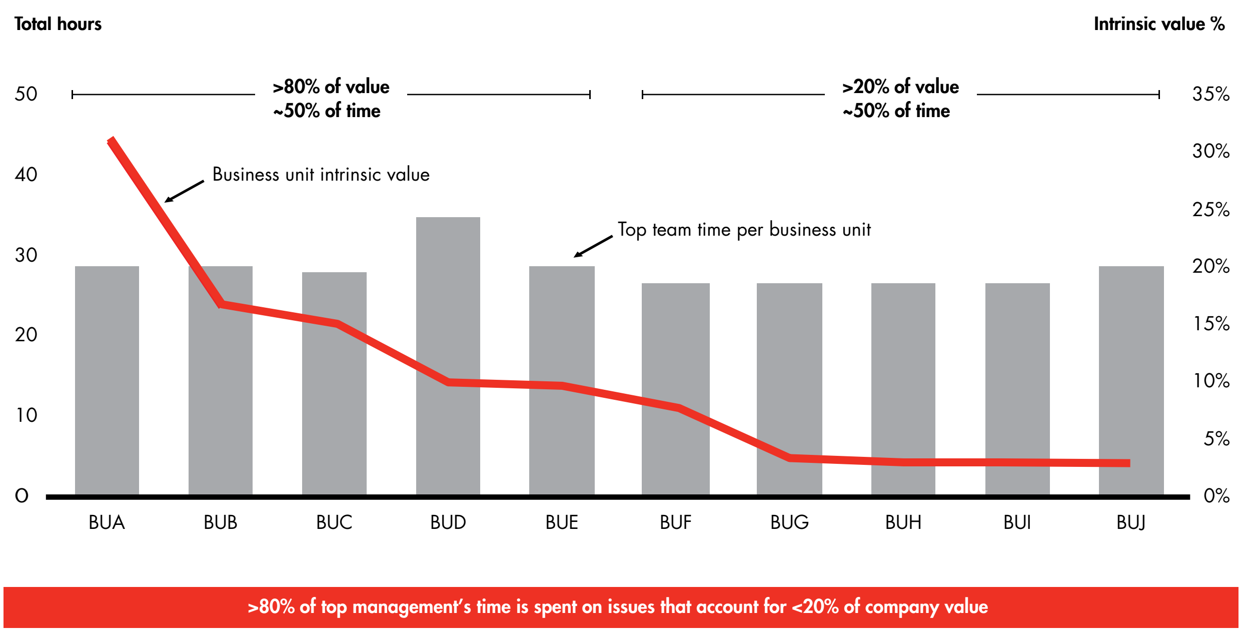
Guideline No. 2: **Carefully define your responsibilities for each initiative** that passes the time-management test. Understand what the expectations are and spell out how success will be defined and measured, both for the initiative and for yourself. Make sure that all this is documented in a project charter and in your personal deliverables or development plan for the year. Figure out the resources you will need (both people and budget) to get the work done, and be sure you and your team are comfortable with the allocations and can shed other responsibilities as necessary. Sometimes an organizational approach can help. When an IT services company embarked on an ambitious multiyear growth plan, the company defined what it called Key Responsibility Areas (KRAs) for each central role. These KRAs documented the role, the full list of direct reports, critical organizational interfaces and each key initiative. They summarized goals and milestones the person in the role would be held accountable for, and they listed the performance indicators that the various initiatives would track. Spelling it all out helped the individuals involved manage their time—and helped the company keep its challenging plan on target.

Managing your involvement

Guideline No. 3 is simple but often underutilized: delegate. **Create "freedom within a framework**," so that you can balance the demands of initiatives with the requirements of your regular job.

Everybody tries to delegate part of their work, but many people find that they then must micromanage the delegated tasks. The key to successful delegation is to establish a crystal-clear framework within which your direct reports can make certain decisions, and ensure that you see only decisions that fall outside of that framework. A major insurance company, for example, had put its head of human resources in charge of a

Figure 2: Leadership team agendas and time usage



Source: Bain & Company

number of significant initiatives. Yet it also expected her to make compensation decisions for new hires above a certain level. She couldn't do everything, so the company ended up with a bottleneck in hiring. Then the company worked with the head of HR to reset the decision process: She established the compensation framework for senior hires and delegated individual decisions to the managers involved. "It gave her the authority to come up with the rules of the game," said one executive. It also gave her more time for her initiatives.

Don't forget the organizational imperative for good decisions: If you can **establish clear decision processes and roles**, you will speed any initiative on its way. That's guideline No. 4. Understanding the what, who, how and when of critical decisions and actions will enable you and your team to pace the work appropriately with the right people involved, drive the right level of detail at the right point in time and manage key stakeholders along the way (without managing too many of them). Do this effectively and you'll find that fewer people can accomplish the same amount of work in less time. When a pharmaceutical company took a closer look at some of its key decisions, it realized that 60% involved more than four committees or teams, and some of them eight or more. Many companies' initiatives get bogged down in the same way: They involve too many people, and no one is clear about his or her role. Specifying those roles helps everyone contribute more effectively.

Of course, there's no substitute for guideline No. 5—**transparency and open communication** in any initiative. Be realistic about the effort you are putting in, the progress you are making and the impact you are having. Superheroes are for the movies. If you need more time, ask for it. If you need more people, fight for them. If you need more budget, find places to get it. At the same time, be a good citizen in the opposite direction and give back if you can—you have to make deposits if you want to make withdrawals.

Initiatives can overwhelm any executive, turning a great job into a dismal one and a thriving unit into a laggard. Companies can't do without projects any more than they can do without meetings. But a well-managed portfolio of initiatives—and thoughtful engagement with them on the part of each participant—can help any company make better, faster decisions and thereby boost its performance.

Shared Ambition, True Results

Bain & Company is the management consulting firm that the world's business leaders come to when they want results.

Bain advises clients on strategy, operations, technology, organization, private equity and mergers and acquisitions. We develop practical, customized insights that clients act on and transfer skills that make change stick. Founded in 1973, Bain has 48 offices in 31 countries, and our deep expertise and client roster cross every industry and economic sector. Our clients have outperformed the stock market 4 to 1.

What sets us apart

We believe a consulting firm should be more than an adviser. So we put ourselves in our clients' shoes, selling outcomes, not projects. We align our incentives with our clients' by linking our fees to their results and collaborate to unlock the full potential of their business. Our Results Delivery® process builds our clients' capabilities, and our True North values mean we do the right thing for our clients, people and communities—always.

For more information, visit **www.decide-deliver.com**
For more information about Bain & Company, visit **www.bain.com**

Amsterdam • Atlanta • Bangkok • Beijing • Boston • Brussels • Buenos Aires • Chicago • Copenhagen • Dallas • Dubai • Düsseldorf • Frankfurt Helsinki • Hong Kong • Houston • Istanbul • Johannesburg • Kuala Lumpur • Kyiv • London • Los Angeles • Madrid • Melbourne • Mexico City Milan • Moscow • Mumbai • Munich • New Delhi • New York • Oslo • Palo Alto • Paris • Perth • Rio de Janeiro • Rome • San Francisco • São Paulo Seoul • Shanghai • Singapore • Stockholm • Sydney • Tokyo • Toronto • Warsaw • Zurich